

February 9, 2005

Dear Friend,

Since its inception, Social Security has lifted millions of senior citizens out of poverty and provided security for their retirement. Despite the fact that this is one of the most successful programs in our nation's history, the Bush Administration is setting out on a course to dismantle it.

During his State of the Union, the President announced his intent to reorganize Social Security. Unfortunately, the message continues to be full of misleading "facts." Most importantly, let me state that there is no crisis.

The Administration asserts that by 2042, Social Security will be bankrupt. However, according to the non-partisan Congressional Budget Office, the truth is that reserves in the Social Security trust fund won't be depleted until 2052. At that point, benefits will still be able to be paid. Social Security will still be receiving payroll tax contributions and recipients will still receive eighty percent of their benefits in the years following. These are the facts, even if Congress takes no action.

The Administration also continues to underestimate the cost of its privatization proposal. While it maintains that this privatization will help save Social Security, the truth is that private accounts will divert \$1.3 trillion from Social Security in the first ten years that the accounts are up and running, and \$3.3 trillion for the decade following. This will be a total of \$4.5 trillion over those twenty years. This will, in effect, worsen the situation for Social Security. It will endanger our economy and force the nation to increase our debt to foreign nations.

Privatization will also be costly to all future recipients of Social Security. In reality, whether or not one chooses to receive a private account, all future retirees will have their benefits cut by more than forty percent. Risky private accounts will not make up for the loss in benefits, and future taxpayers would end up supporting recipients through other programs.

We must do something, but the President's prescription is the wrong medicine. I believe that we need to strengthen Social Security instead of draining its resources by allowing privatization. We first should approach reform by paying down the national debt. This would free up interest monies used to pay debt service, and we could then devote some of these resources to the Social Security trust fund to extend its solvency. Instead of making sweeping changes, I suggest that we look closely at the program and make the right adjustments to ensure that monies paid into Social Security are fully available for all generations to come. Please [click here](#) for more information.

Very Truly Yours,

Tom Udall
Member of Congress